Business and commercial Aviation

THE WEEKLY OF BUSINESS AVIATION®

Vol. 44 No. 9 March 2, 1987 Page 65

INSIDE

EMS Inspections Ordered.....Page 66
FAA To Issue Windshear NPRM.....Page 67
NAATS Files Drug Testing Suit.....Page 68
Business Aviation Briefs.....Page 70
Marketplace.....Page 72

DAVE COLLOGAN/EDITOR
KATHRYN BLEDSOE/ASSISTANT EDITOR
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89-2447

REAUTHORIZATION PROPOSAL SHARPLY CRITICIZED AT SUBCOMMITTEE HEARING

Transportation Department proposal for reauthorization of the Airport and Airway Trust Fund was defended last week by James Burnley, deputy secretary of transportation, and lambasted as containing "inexcusable shortfalls," by members of the House aviation subcommittee and members of aviation interest groups.

At hearings to debate renewal of the Trust Fund, subcommittee Chairman Norman Mineta (D-Calif.) said failure to develop airports and provide other improvements would result in "the aviation system becoming a victim of its success." He said record traffic counts since deregulation "have been straining a system which was already weakened by the mass dismissal of controllers in the 1981 strike." He said the DOT's proposal to grant airlines antitrust immunity to allow joint discussions aimed at adjusting schedules to reduce delays (BA, Feb. 2/35) is "a cure that is worse than the disease" and said such an action "would prevent competition" and move backwards toward re-regulation.

Burnley said the scheduling talks were not intended "maliciously" and denied Mineta's charge there would be any "jawboning" to push scheduling down in certain hours. "We aren't going to use the proverbial baseball bat to get the airlines to do this," Burnley said. FAA Administrator Donald Engen said in defense of the scheduling talks, "the delay question is very complex...if we can limit takeoffs at certain times, the delays will be greatly alleviated. We want to provide a free flow of competition, but we don't want to overload the system."

Reauthorization Period, Airport Defederalization Raise Concerns

Burnley and Engen defended the proposal of a two-year reauthorization period, in light of the "rapid change aviation is experiencing." Burnley said particularly in light of the "final Byrd Commission report, due in approximately 18 months, a two-year period will provide an earlier opportunity to reassess and alter course as necessary." Most aviation grups expressed opposition to the two-year reauthorization, suggesting a longer period is preferable. Donald Reilly, executive director of the Airport Operators Council International, said "a five-year plan is needed for long range planning, and anything short of that would not serve the best interest of the airports."

Burnley said DOT's decision to allow airports to withdraw from eligibility for federal airport grants came from its determination that "any airport that believes it can go it alone, should be allowed to do so." John Baker, president of the Aircraft Owners and Pilots Association, said to defederalize airports under this proposal "would be a mistake. It would make it extremely difficult to ensure fair and equitable access to the nation's airports." He called the levy of user fees for aviation services "a presumptuous and totally abhorrent proposal." He said it was an "absurd proposal that clearly constitutes double taxation and a redundant user service charge."

Proposals to remove the Trust Fund from the unified budget, and to move FAA out from under DOT's jurisdiction were rejected by Engen who said "the FAA's duties are a federal function" and should therefore be subject to some sort of federal authority. Burnley said there is a "notion the federal corporation as proposed by Bolger (William Bolger, president of the Air Transport Association) is a magic solution, and it is not." Alan Stephen, executive vice president for the Regional Airline

(Continued on the following page)

NOW ONLINE WORLDWIDE

PUBLISHED BY THE BUSINESS PUBLICATIONS DIVISION OF MURDOCH MAGAZINES, A DIVISION OF NEWS AMERICA PUBLISHING, INC. COPYRIGHT @ 1987 NEWS AMERICA PUBLISHING, INC. ALL RIGHTS RESERVED. REPRODUCTION IS STRICTLY PROHIBITED. SUBSCRIPTIONS: ONE YEAR $250. SIX MONTHS $165.

AVIATION TRUST FUND BALANCE APPROACHING $9 BILLION -- As the House aviation subcommittee began hearings last week on reauthorization of key aviation legislation, including the continuation of FAA programs funded by user taxes, the Treasury Department was reporting that the balance in the Airport and Airway Trust Fund is rapidly nearing the $9 billion mark. Through Nov. 30, the most recent figures available, Treasury said the Trust Fund balance was $8.7 billion. In the first two months of fiscal 1987 Treasury had collected $514.4 million in user taxes, while expenditures totaled $346.8 million (see chart on the back of this page).

REGIONAL AIRLINE PASSENGERS INCREASE EIGHT PERCENT IN 1986, RPMs FLAT -- Regional airlines boarded 28.4 million passengers last year, an eight percent increase over 1985's total of just under 26 million, according to annual statistics compiled by the Regional Airline Association. Revenue passenger miles increased only marginally from 4.42 million to 4.47 million, however, which is reflected in a decrease in average length of haul from 173 to 158 miles. RAA Executive Vice President Alan Stephen attributes the reduction in trip length to code-sharing since route segments are generally shorter in a hub-and-spoke network than in a linear route system.

Although the number of regional carriers remained the same at 179—a number of recent new entrants offset attrition during the year—45 of the top 50 carriers in terms of passengers carried were involved in code-sharing arrangements with larger airlines, Stephen said, adding that the first non-code-sharing regional carrier was ranked 34th on the list. The top-50 carriers accounted for 91 percent of the industry's RPMs, compared to 88 percent in 1985. Regional airline fleet totaled 1,806 aircraft, versus 1,745 in 1985, an increase of 3.5 percent. Those aircraft logged more than 2.9 million flight hours for an average of 1,622 hours per aircraft, down two percent from a year ago—another impact of code-sharing, Stephen said.

AVEMCO ELEVATES FIVE TO VICE PRESIDENT -- Avemco Corp. board of directors has named five employes to vice president positions, according to William Condon, chairman. John St. Peter, with Avemco for seven years, has been named senior vice president of marketing. Alan Saver has been named vice president-sales. He joined Avemco in 1966, and most recently served as assistant vice president-marketing/national sales. George Stransky has been appointed vice president-advertising. He has been with the company since 1981. Appointed assistant vice president of sales were John Sweeney and Michael Chaput. Sweeney has been with Avemco since 1974 when it acquired his company, Airway Underwriters, Inc. Chaput joined Avemco in 1982 as a sales/underwriter in the western region office.

KAISER ALUMINUM PATENTS ALUMINUM-LITHIUM CLADDING PROCESS -- Kaiser Aluminum & Chemical Corp. said it has received a patent on a method of cladding aluminum-lithium alloys, being developed primarily for aerospace and defense applications, that will "significantly improve" fabrication processes, corrosion resistance and service performance of these alloys. The company, which is casting the alloys at its Center for Technology, Pleasanton, Calif., said its cladding method "is expected to solve many of the problems associated with aluminum-lithium alloy fabrication." Kaiser said its process involves cladding an aluminum-lithium alloy between high-purity aluminum liner materials such as 1XXX series aluminum alloys. The liner and core are roll bonded and the composite is then heated to achieve a metallurgical bond. The company said the composite can be finished like other aluminum alloy products without increased danger of corrosion or discoloration associated with aluminum-lithium alloys. It said that by using this technique, it has been able to produce clad alloys containing two to three percent lithium.

AOPA NAMES HORNE VICE PRESIDENT, PUBLICATIONS -- Aircraft Owners and Pilots Association has promoted Thomas Horne to vice president of publications. He has also been named editor of the association's monthly magazine, **AOPA Pilot**. Both positions were previously held by Edward Tripp, who resigned late in November (BA, Dec. 1/173). Horne has been with AOPA for the past seven years as an associate editor of the magazine. AOPA also named Carol Palmore vice president of marketing. She joined AOPA in 1978 as executive assistant to the president and most recently was marketing coordinator. Edmund Pinto, senior vice president for communications, also will serve as senior vice president of publications and will be responsible for operations and management of both the publications and communications divisions.

COPYRIGHT © 1987 NEWS AMERICA PUBLISHING, INC.

STATUS OF AIRPORT & AIRWAY TRUST FUND

NOVEMBER 30, 1986

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 8,702,075,740.72	$ 8,625,199,213.60
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	5,645,000.00	11,675,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	218,000.00	450,000.00
2. Non-commercial 9 cents tax	2,327,000.00	4,865,000.00
3. Non-commercial 3 cents tax	776,000.00	1,622,000.00
4. Transp by air,seats,berths,etc.	222,425,000.00	450,069,000.00
Use of international trav fac	9,680,000.00	20,679,000.00
Transp of property and cargo	12,096,000.00	25,055,000.00
Total Tax Receipts	253,167,000.00	514,415,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	0.00
2. Any liquid fuel except gas	0.00	0.00
3. Gasoline -Retailer's tax	0.00	0.00
4. Gasoline -Manufac. tax	0.00	0.00
Total Reimburse For Tax Refunds	0.00	0.00
Net Tax Receipts	253,167,000.00	514,415,000.00
C. Interest on Investments	1,082,690.63	1,082,690.63
Net Receipts	254,249,690.63	515,497,690.63
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	0.00	0.00
2. Grants-in-aid for airports	87,036,616.18	199,806,535.16
3. Facilities & equipment	52,962,431.15	104,110,216.97
4. Research engineering & development	22,517,703.50	42,971,471.58
B. NOAA weather services	0.00	0.00
C. Interest on Refund of Taxes	0.00	0.00
Total Expenditures	162,516,750.83	346,888,223.71
IV. BALANCE - END OF PERIOD	8,793,808,680.52	8,793,808,680.52

ASSETS :		
Undisbursed Balances:		$
Airport & Airway Trust Fund	636.53	
Operations	-4,635.34	
Grants-in-aid for Airports	4,169,195.16	
Facilities & Equipment	9,281,342.33	
Research Engineering & Development	36,229,141.84	
NOAA weather services	0.00	
		$ 49,675,680.52
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
9% maturing JUNE 30, 1987	$ 36,272,000.00	
9-1/8% maturing JUNE 30, 1987	111,662,000.00	
9-1/4% maturing JUNE 30, 1987	71,331,000.00	
9-3/8% maturing JUNE 30, 1987	41,623,000.00	
9-1/2% maturing JUNE 30, 1987	59,514,000.00	
9-3/4% maturing JUNE 30, 1987	8,423,731,000.00	
		8,744,133,000.00
Total Assets		8,793,808,680.52
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 8,793,808,680.52
Total Liabilities and Equity		8,793,808,680.52